

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

January 10, 2007

Mr. Gary Mullard, President Northern Stone Supply, Inc. 203 West Main Post Office Box 249 Oakley, Idaho 83346

Subject: Request for Division Named as Co-Beneficiary to Corporate Surety,

Northern Stone Supply, Inc., Turquoise Stone, M/003/020, Box Elder

County, Utah

Dear Mr. Mullard:

The Division has received the original, signed and notarized large mine reclamation contract for the Turquoise Stone Mine Site. The Division appreciates this documentation, however, further action is required before Division surety approval can be granted.

The Division requires the issuance of a rider to the corporate surety bond issued by Travelers Casualty and Surety Company of America. The rider will identify the State of Utah, Division of Oil, Gas and Mining as co-beneficiary. It is understood that the BLM will act as agent for the Division and administer this bond. Division regulatory requirements state that a separate reclamation surety is not required where a form and amount is held by other governmental entities, provided that the cost estimate is accurate and the Division is named as co-beneficiary.

Please contact Beth Ericksen, Minerals Surety Coordinator, for any additional information. She can be reached by telephone or email, (801) 538–5318 or bethericksen@utah.gov.

The Division has all the necessary documents regarding the \$65,600.00 CD that is administered by the BLM. No additional documentation will be required to obtain Division surety approval for the CD with Zions Bank.

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Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

SMW:BE:be

Beth Ericksen, DOGM Lynn Kunzler, DOGM

Opie Abeyta, BLM, (opie abeyta@blm.gov)
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